

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
ROSCOMMON, MICHIGAN

FINANCIAL STATEMENTS
JUNE 30, 2023



WEINLANDER FITZHUGH
Certified Public Accountants & Advisors

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INDEPENDENT AUDITOR'S REPORT

October 26, 2023

Board of Education
C.O.O.R Intermediate School District
Bay City, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, the discretely presented component unit and the aggregate remaining fund information of C.O.O.R Intermediate School District (School District), as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the discretely presented component unit and the aggregate remaining fund information of C.O.O.R Intermediate School District as of June 30, 2023 and the respective changes in financial position for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinions

We conducted our audit in accordance with U.S. generally accepted auditing standards (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles; and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.



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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards*, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of C.O.O.R Intermediate School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about C.O.O.R Intermediate School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



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Required Supplementary Information

U.S. generally accepted accounting principles requires that the management's discussion and analysis, budgetary comparison information and pension and OPEB schedules, as noted in the table of contents to be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining non-major fund financial statements and schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly for the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining non-major fund financial statements and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2023, on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Weinlander Fitzhugh

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2023

Our discussion and analysis of C.O.O.R Intermediate School District's financial performance provides an overview of the School District's financial activities for the fiscal year ended June 30, 2023.

Financial Highlights

The School District's net position increased by \$3,652,593 or 42%. Program revenues were \$14,853,648 or 73% of total revenues, and general revenues were \$5,455,718 or 27%.

The General Fund reported a positive fund balance of \$1,964,324. The Special Education Fund reported a positive fund balance of \$1,538,437. The Career and Technical Fund reported a positive fund balance of \$264,992.

Using this Annual Financial Report

This annual financial report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the School District financially as a whole. The *District-wide Financial Statements* provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements look at the School District's operations in more detail than the district-wide financial statements by providing information about the School District's most significant funds - the General Fund, Special Education Fund, Career and Technical Education Fund with all other funds presented in one column as nonmajor funds. The following summarizes the presentation included in this annual financial report.

Management's Discussion and Analysis (MD&A) (Required Supplemental Information)

Basic Financial Statements

- District-wide Financial Statements
- Fund Financial Statements - Governmental and Proprietary Funds
- Notes to the Basic Financial Statements

Budgetary Information for the General Fund, Special Education and Career and Technical Education Fund (Required Supplemental Information)

Pension Schedules (Required Supplemental Information)

OPEB Schedules (Required Supplemental Information)

Other Supplemental Information

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2023

Reporting the District as a Whole

The Statement of Net Position and Statement of Activities

One of the most important questions asked about the School District's finances is: "Is the School District better or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the School District as a whole and about its activities in a manner that helps to answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector companies. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

These two statements report the School District's net position as a way to measure the School District's financial position. The change in net position provides the reader a tool to assist in determining whether the School District's financial health is improving or deteriorating. The reader will need to consider other nonfinancial factors such as property tax base, student enrollment growth and facility conditions in arriving at their conclusion regarding the overall health of the School District.

Reporting the District's Most Significant Funds

Fund Financial Statements

The School District's fund financial statements provide detailed information about the most significant funds - not the School District as a whole. Some funds are required to be established by State law and by bond covenants. Other funds are established to help it control and manage money for particular purposes or to meet legal responsibilities for using certain taxes, grants and other sources of revenue. The School District has two types of funds, which are the governmental and proprietary funds.

Governmental Funds

Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources available to spend in the near future to finance the School District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the basic financial statements.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2023

District-wide Financial Analysis

The statement of net position provides the perspective of the School District as a whole. Exhibit A provides a summary of the School District's net position as of June 30, 2023 and 2022:

Exhibit A	Governmental Activities	
	2023	2022
Assets		
Current and other assets	\$ 10,457,777	\$ 12,084,968
Capital assets - net of accumulated depreciation	3,592,452	1,684,493
Total assets	14,050,229	13,769,461
Deferred Outflows of Resources		
Related to pensions and OPEB	6,277,672	2,732,818
Total deferred outflows of resources	6,277,672	2,732,818
Liabilities		
Current liabilities	6,043,798	9,317,809
Long-term liabilities	16,034,983	9,554,910
Total liabilities	22,078,781	18,872,719
Deferred Inflows of Resources		
Related to pensions and OPEB	3,268,111	6,301,144
Total deferred inflows of resources	3,268,111	6,301,144
Net Position		
Net investment in capital assets	3,592,452	1,684,493
Restricted	350,565	328,568
Unrestricted	(8,962,008)	(10,684,645)
Total net position	\$ (5,018,991)	\$ (8,671,584)

The analysis above focuses on net position (see Exhibit A). The School District's net position was \$(5,018,991) at June 30, 2023. Capital assets totaling \$3,592,452 compares the original costs, less depreciation of the School District's capital assets. Restricted net position is reported separately to show legal constraints for fund and program purposes that limit the School District's ability to use net position for day-to-day operations.

The \$(8,962,008) in unrestricted net position of governmental activities represents the *accumulated* results of all past years' operations. The operating results of the General Fund will have a significant impact on the change in unrestricted net position from year to year.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2023

The School District implemented GASB Statement No. 68 in 2015. The effect of this Statement required the School District to report in the summary of net position, a liability of \$15,055,357 for 2023 and \$8,912,848 for 2022.

The School District implemented GASB Statement No. 75 in 2018. The effect of this Statement required the School District to report in the summary of net position, a liability of \$883,519 for 2023 and \$574,528 for 2022.

The results of this year's operations for the School District as a whole are reported in the statement of activities. Exhibit B provides a summary of the changes in net position for the years ended June 30, 2023 and 2022.

Exhibit B	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Revenues		
Program revenue:		
Charges for services	\$ 1,171,123	\$ 234,687
Grants and categoricals	13,682,525	10,916,009
General revenue:		
Property taxes	3,664,173	3,497,766
State aid	870,577	670,555
Other	920,968	804,345
Total revenues	<u>20,309,366</u>	<u>16,123,362</u>
Function/Program Expenses		
Instruction	2,734,908	1,971,851
Support services	8,255,844	6,748,188
Community services	13,812	7,850
Food services	71,682	50,665
Capital acquisition construction and improvement	208,086	28,271
Facilities acquisition construction and improvement	0	23,073
Transfers out to other governmental units	5,199,443	5,403,198
Loss on disposal of assets	6,001	2,152
Depreciation (unallocated)	166,997	128,965
Total expenses	<u>16,656,773</u>	<u>14,364,213</u>
Change in Net Position	<u>\$ 3,652,593</u>	<u>\$ 1,759,149</u>

As reported in the statement of activities, the cost of all of our governmental activities this year was \$16,656,773. Certain activities were partially funded from those who benefited from the programs, \$1,171,123, or by the other governments and organizations that subsidized certain programs with grants and categoricals of \$13,682,525. We paid for the remaining "public benefit" portion of our governmental activities with \$3,664,173 in taxes, \$870,577 in State aid and with our other revenues, such as interest and entitlements.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2023

The School District had an increase in net position of \$3,652,593. The key reason is an increase in funding sources along with conservative spending and staffing changes.

The School District's Funds

The School District uses funds to help it control and manage money for particular purposes. Looking at funds helps the reader consider whether the School District is being accountable for the resources taxpayers and others provide to it and may provide more insight into the School District's overall financial health.

The School District's governmental funds reported a combined fund balance of \$4,118,318, which is above last year's total of \$2,572,121. The schedule below indicates the fund balance and the total change in fund balances as of June 30, 2023 and 2022.

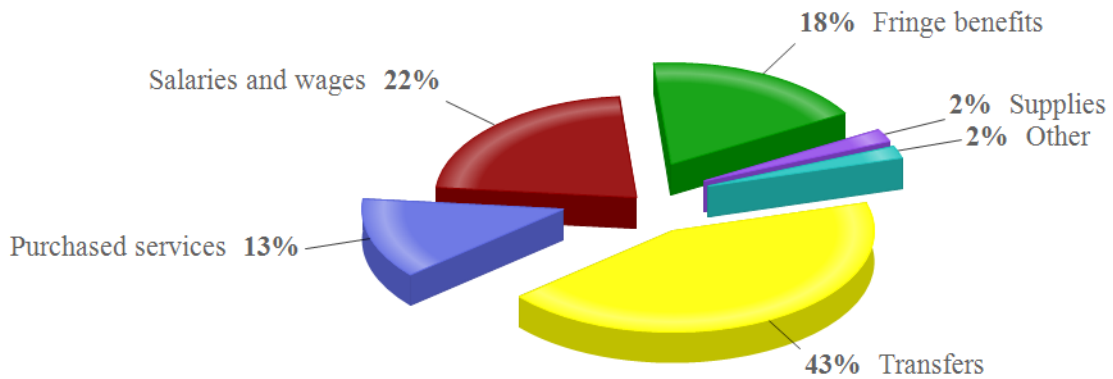
	Fund Balance <u>6/30/2023</u>	Fund Balance <u>6/30/2022</u>	Increase (Decrease)
General	\$ 1,964,324	\$ 1,834,902	\$ 129,422
Special Education	1,538,437	163,261	1,375,176
Career and Technical Education	264,992	245,390	19,602
Capital Projects Fund	323,536	297,576	25,960
Other Special Revenue Funds	27,029	30,992	(3,963)
	<u>\$ 4,118,318</u>	<u>\$ 2,572,121</u>	<u>\$ 1,546,197</u>

- Our General Fund increased due to increased revenue from the state in several categoricals as well as an increase in federal revenues and conservative spending practices by the ISD.
- Our Special Education Fund had a significant increase due to increased medicaid revenue, increased revenue from the state in several categoricals as well as an increase in federal revenues.
- Our Career and Technical Education Fund had an increase mostly due to an increase in state categorical funding.
- Our School Lunch Fund decreased due to an increase in food service costs.
- Our NMEC Fund had a increase due to a decrease in phone and internet costs.
- Our Capital Projects Fund increased due to receiving 61g funds for our CTE program.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2023

As the graph below illustrates, the largest portions of General Fund expenditures are for CTE construction costs.

Expenditures



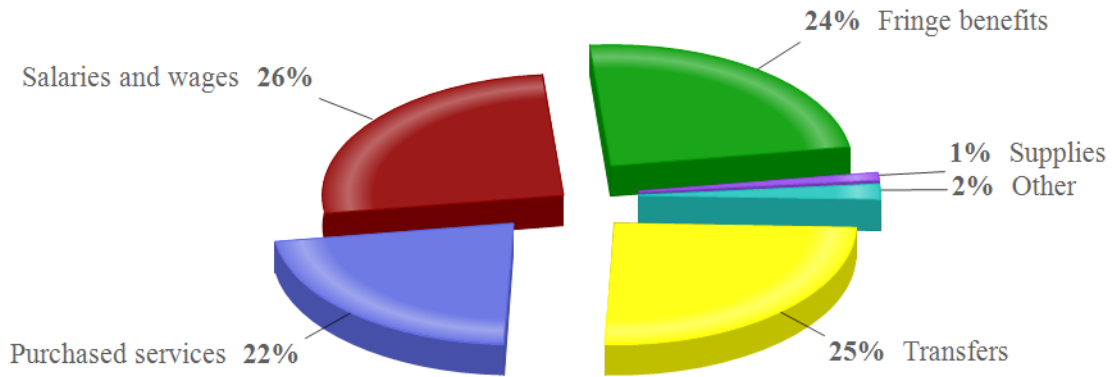
<u>Expenditures by Object</u>	<u>2023</u>	<u>2022</u>
Salaries and wages	\$ 1,558,579	\$ 1,171,917
Fringe benefits	1,261,653	776,706
Purchased services	939,625	3,201,842
Supplies	135,451	186,408
Other	122,366	74,771
Transfers	3,004,871	717,369
Total	<u>\$ 7,022,545</u>	<u>\$ 6,129,013</u>

Expenditures have increased by \$893,532 due to the increased need for pupil support services and instructional staff, as well as transfers for the CTE expansion.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
 Management's Discussion and Analysis
For the Year Ended June 30, 2023

The graph below illustrates the percentage of Special Education Fund expenditures.

Expenditures



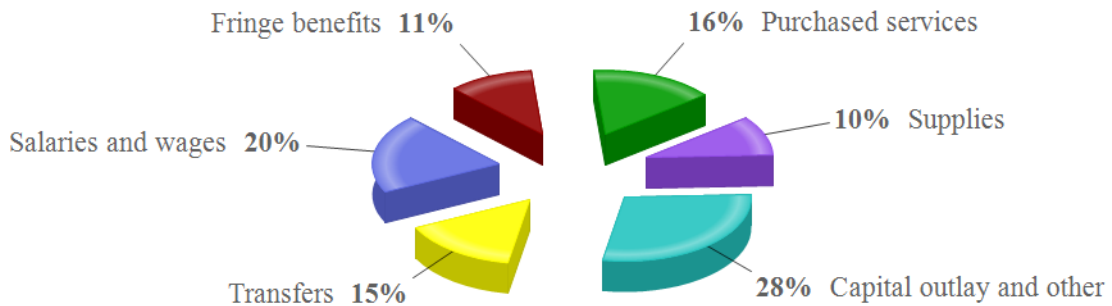
<u>Expenditures by Object</u>	<u>2023</u>	<u>2022</u>
Salaries and wages	\$ 2,292,489	\$ 2,254,572
Fringe benefits	2,143,728	1,787,884
Purchased services	1,926,400	1,497,755
Supplies	142,824	176,257
Other	151,709	28,079
Transfers	2,170,715	2,488,166
Total	<u>\$ 8,827,865</u>	<u>\$ 8,232,713</u>

Expenditures have increased by approximately \$595,152 over the prior year mostly due to an increase in purchased services.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
 Management's Discussion and Analysis
For the Year Ended June 30, 2023

The graph below illustrates the percentage of Career and Technical Education Fund expenditures.

Expenditures



<u>Expenditures by Object</u>	<u>2023</u>	<u>2022</u>
Salaries and wages	\$ 320,899	\$ 310,032
Fringe benefits	196,111	188,664
Purchased services	279,605	410,422
Supplies	154,777	134,256
Transfers	349,043	252,677
Capital outlay and other	502,176	119,502
Total	<u>\$ 1,802,611</u>	<u>\$ 1,415,553</u>

Expenditures have increased by \$387,058 due to an increase in capital outlay. There were many building improvements completed during the year and equipment was added to various classrooms during the year. Expenditures also increased due to the addition of labs needed because of increased student enrollment.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2023

Budgetary Highlights

Over the course of the year, the School District revises its budget to reflect changes in revenues and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. A schedule showing the School District's original and final budget amounts compared with amounts actually paid and received is provided in required supplemental information of these financial statements. Changes between the original and final amended budgets were as follows:

General Fund

- Budgeted revenues were amended to reflect adjustments in all revenue sources.
- Budgeted expenditures were amended to reflect changes in spending levels.
- Final actual revenue totals were less than the final amended budget total and actual expenditure totals were more than the final amended budget total.

Special Education

- Budgeted revenues were amended to reflect adjustments of all revenue sources.
- Budgeted expenditures were amended to reflect changes in spending levels.
- Final actual revenue totals were higher than the final amended budget total and expenditures were less than the final amended budget total.

Career and Technical Education Fund

- Budgeted revenues were amended to reflect adjustments in all revenue sources.
- Budgeted expenditures were amended to reflect changes in spending levels.
- Final actual revenue totals were less than the final amended budget total and expenditures were less than the final amended budget total.

Capital Assets

At June 30, 2023, the School District had \$3,592,452 invested in a broad range of capital assets, including land, buildings, furniture and equipment.

	2023	2022
Land	\$ 658,986	\$ 658,986
Construction in progress	1,653,612	0
Buildings and improvements	2,585,053	2,621,852
Buses and other vehicles	852,470	997,318
Furniture and equipment	705,714	632,214
Total capital assets	6,455,835	4,910,370
Less accumulated depreciation	2,863,383	3,225,877
Net capital assets	\$ 3,592,452	\$ 1,684,493

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2023

This year's additions of \$2,080,957 were for a climate control system, a new furnace and air conditioner for the bus garage, a new furnace and air conditioner for the CEC building, a bus, a desktop laser, a carbon fiber 3D printer, three welders, two milling certification carts, a mitering band saw, an ironworker, two patient simulators, a milling table, a lathe, a sink, an intercom system, a Ram truck, a laser and laser cartridge and a laser cutter. No debt was issued for these additions. We present more detailed information about our capital assets in the notes to the financial statements.

Factors Expected to have an Effect on Future Operations

Our elected Board and administration consider many factors when setting the School District's 2024 fiscal year budget. The 2024 fiscal year budget was adopted in June 2023, based on property tax and state revenue estimates available at that time. Under State law, the School District cannot access additional property tax revenue for general operations. As a result, district funding is heavily dependent on the State's ability to fund local and intermediate school district operations. Once final membership and added cost calculations can be made, State law requires the School District to amend the budget if actual district resources are not sufficient to fund original appropriations.

Since the School District's revenue is heavily dependent on State funding and the health of the State's School Aid Fund, the actual revenue received depends on the State's ability to collect revenues to fund its appropriation to school districts. The State periodically holds a revenue-estimating conference to estimate revenues and to determine if adjustments in State Aid allocations are required.

The School District's fiscal management reflects both its conservative approach in projecting revenues and ongoing practice of providing programs and services in collaboration with constituent school districts, Kirtland Community College and other local agencies and organizations. These include:

- Center-Based Special Education Programs
- Career and Technical Education Programs
- Special Education Pupil Support Services
- Early Child Education Services
- Professional Development
- 31n Service for Behavior and Social and Emotional Needs

The School District's conservative approach in projecting revenues is reflected in its 2023/2024 budget which was adopted in June 2023. The following assumptions were used:

Revenues

- Property Tax - projected to increase slightly 2023/2024
- General Operations - all areas projected at 2022/2023 levels
- Special Education - all areas projected at 2022/2023 levels
- IDEA Flow Thru - same as 2022/2023 level
- Medicaid fee for service - same as 2022/2023 level

Expenditures

- Administrators - 2.5% increase
- Teachers - 3.5% increase
- Secretarial - 2% increase

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2023

- Support personnel - 3.5% increase
- Employee Benefits Insurance Package - Budgeted all eligible employees at the state hardcaps.
- Retirement - based on a full year average of 30% plus UAAL of 16.89%.

It is proactive of the School District to amend its budget twice during the fiscal year as actual revenue and expense information becomes available.

C.O.O.R. is expanding its Career Tech Program with \$2.5 million awarded in 61g funds that were received through State Aid in 2021/2022. We are excited about the possibilities of offering new programs and constructing an addition to house our current programs. With the additional funds of \$2.5 million, there will be increased revenues and expenditures which will be closely monitored by getting guidance from our Auditors.

Requests for Information

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Office of the Superintendent
C.O.O.R. Intermediate School District
11051 North Cut Road
P.O. Box 827
Roscommon, MI 48653-0827

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Statement of Net Position
June 30, 2023

	Governmental Activities	Component Unit
Cash and investments	\$ 6,619,960	\$ 284,167
Receivables - net:		
Accounts receivable	3,818,787	88,942
Prepaid expenses	19,030	0
Inventory	0	441
Capital assets less accumulated depreciation	3,592,452	150,813
Total assets	14,050,229	524,363
 <u>Deferred Outflows of Resources</u>		
Related to pensions	4,953,724	0
Related to OPEB	1,323,948	0
Total Deferred Outflows of Resources	6,277,672	0
 <u>Liabilities</u>		
Accounts payable	1,322,835	18,646
Due to other governmental units	205,173	0
Unearned revenue	4,263,742	0
Accrued payroll and other liabilities	252,048	24,588
Long-term liabilities:		
Due in more than one year	96,107	0
Net pension liability	15,055,357	0
Net OPEB liability	883,519	0
Total liabilities	22,078,781	43,234
 <u>Deferred Inflows of Resources</u>		
Related to pensions	1,316,105	0
Related to OPEB	1,952,006	0
Total deferred inflows of resources	3,268,111	0
 <u>Net Position</u>		
Net investment in capital assets	3,592,452	150,813
Restricted for fund purpose	350,565	0
Unrestricted	(8,962,008)	330,316
Total net position	\$ (5,018,991)	\$ 481,129

See accompanying notes to financial statements.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2023

	Program Revenues			Governmental Activities	
Expenses	Charges for Services	Operating Grants/ Contributions	Revenue and Changes in Net Position	Net (Expense)	Component Unit
Functions/Programs					
Primary government -					
Governmental activities:					
Instruction	\$ 2,734,908	\$ 0	\$ 4,832,830	\$ 2,097,922	\$ 0
Support services	8,255,844	1,170,629	3,735,067	(3,350,148)	0
Community services	13,812	0	34,364	20,552	0
Food services	71,682	494	71,191	3	0
Capital acquisition construction and improvement	208,086	0	0	(208,086)	0
Transfers out to other governmental units	5,199,443	0	5,009,073	(190,370)	0
Loss on disposal of assets	6,001	0	0	(6,001)	0
Depreciation (unallocated)	166,997	0	0	(166,997)	0
Total governmental activities	\$ 16,656,773	\$ 1,171,123	\$ 13,682,525	(1,803,125)	0
Component Unit					
R.O.O.C., Inc.					
Support and program services	\$ 951,410	\$ 1,036,792	\$ 7,838	0	93,220
General revenues:					
Taxes:					
Property taxes, levied for general purposes			3,664,173	0	
State aid			870,577	0	
Interest and investment earnings			3,627	757	
Other			917,341	8,291	
Total general revenues			5,455,718	9,048	
Change in net position			3,652,593	102,268	
Net position - beginning of year			(8,671,584)	378,861	
Net position - end of year			\$ (5,018,991)	\$ 481,129	

See accompanying notes to financial statements.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2023

	General	Special Education	Career and Technical Education	Capital Projects Fund	Other Nonmajor Governmental Funds	Total
<u>Assets</u>						
Cash and investments	\$ 3,946,581	\$ 515,136	\$ 579,755	\$ 1,534,851	\$ 43,637	\$ 6,619,960
Receivables - net:						
Accounts receivable	1,083,568	2,400,535	331,533	0	3,151	3,818,787
Prepaid expenditures	19,030	0	0	0	0	19,030
Total assets	\$ 5,049,179	\$ 2,915,671	\$ 911,288	\$ 1,534,851	\$ 46,788	\$10,457,777
<u>Liabilities, Deferred Inflows of Resources and Fund Balance</u>						
<u>Liabilities</u>						
Accounts payable	\$ 189,224	\$ 815,052	\$ 92,763	\$ 206,037	\$ 19,759	\$ 1,322,835
Due to other governmental units	205,173	0	0	0	0	205,173
Unearned revenue	2,645,420	61,545	551,499	1,005,278	0	4,263,742
Accrued payroll and other liabilities	45,038	204,976	2,034	0	0	252,048
Total liabilities	3,084,855	1,081,573	646,296	1,211,315	19,759	6,043,798
<u>Deferred Inflows of Resources</u>						
Unavailable revenue	0	295,661	0	0	0	295,661
<u>Fund Balance</u>						
Nonspendable - prepaid	19,030	0	0	0	0	19,030
Restricted for fund purposes	0	1,538,437	264,992	323,536	27,029	2,153,994
Unassigned	1,945,294	0	0	0	0	1,945,294
Total fund balance	1,964,324	1,538,437	264,992	323,536	27,029	4,118,318
Total liabilities, deferred outflows of resources and fund balance	\$ 5,049,179	\$ 2,915,671	\$ 911,288	\$ 1,534,851	\$ 46,788	\$10,457,777

See accompanying notes to financial statements.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
 Reconciliation of Balance Sheet of Governmental Funds
 to the Statement of Net Position
June 30, 2023

Total fund balance - governmental funds	\$ 4,118,318
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	
Cost of the capital assets	6,455,835
Accumulated depreciation	(2,863,383)
Deferred outflows used in governmental activities are not financial resources and therefore are not reported in governmental funds:	
Related to Pensions	4,953,724
Related to OPEB	1,323,948
Long-term liabilities are not due and payable in the current period and are not reported in the funds:	
Compensated absences	(96,107)
Net pension liability	(15,055,357)
Net OPEB liability	(883,519)
Unavailable revenue from other governmental units at June 30, 2023 and collected after September 1, 2023	295,661
Deferred inflows used in governmental activities are not recognized as current resources and therefore are not reported in governmental funds:	
Related to pensions	(1,316,105)
Related to OPEB	(1,952,006)
Total net position - governmental activities	<u>\$ (5,018,991)</u>

See accompanying notes to financial statements.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2023

	General	Special Education	Career and Technical Education	Capital Projects Fund	Other Nonmajor Governmental Funds	Total
<u>Revenues</u>						
Local sources	\$ 1,111,237	\$ 3,531,109	\$ 20,000	\$ 0	\$ 142	\$ 4,662,488
State sources	4,762,277	3,500,619	1,272,738	1,435,799	572	10,972,005
Federal sources	898,744	2,366,423	168,199	0	71,191	3,504,557
Total revenues	<u>6,772,258</u>	<u>9,398,151</u>	<u>1,460,937</u>	<u>1,435,799</u>	<u>71,905</u>	<u>19,139,050</u>
<u>Expenditures</u>						
Support services:						
Instruction	5,461	2,249,418	759,812	0	0	3,014,691
Support services	3,376,019	4,279,315	693,756	0	0	8,349,090
Community services	615,630	13,812	0	0	0	629,442
Food services	0	0	0	0	77,382	77,382
Capital outlay	3,063	114,605	0	1,709,839	0	1,827,507
Information services	0	0	0	0	16,249	16,249
Total expenditures	<u>4,000,173</u>	<u>6,657,150</u>	<u>1,453,568</u>	<u>1,709,839</u>	<u>93,631</u>	<u>13,914,361</u>
Excess (deficiency) of revenues over expenditures	<u>2,772,085</u>	<u>2,741,001</u>	<u>7,369</u>	<u>(274,040)</u>	<u>(21,726)</u>	<u>5,224,689</u>
<u>Other Financing Sources (Uses)</u>						
Operating transfers in from other governmental units	379,709	804,890	312,000	0	17,382	1,513,981
Operating transfers out to other governmental units	(2,672,715)	(2,170,715)	(349,043)	0	0	(5,192,473)
Operating transfers in from other funds	0	0	49,276	300,000	381	349,657
Operating transfers out to other funds	(349,657)	0	0	0	0	(349,657)
Total other financing sources (uses)	<u>(2,642,663)</u>	<u>(1,365,825)</u>	<u>12,233</u>	<u>300,000</u>	<u>17,763</u>	<u>(3,678,492)</u>
Net change in fund balance	129,422	1,375,176	19,602	25,960	(3,963)	1,546,197
Fund balance - beginning of year	<u>1,834,902</u>	<u>163,261</u>	<u>245,390</u>	<u>297,576</u>	<u>328,568</u>	<u>2,869,697</u>
Fund balance - end of year	<u>\$ 1,964,324</u>	<u>\$ 1,538,437</u>	<u>\$ 264,992</u>	<u>\$ 323,536</u>	<u>\$ 27,029</u>	<u>\$ 4,118,318</u>

See accompanying notes to financial statements.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures and
 Changes in Fund Balance of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2023

Net change in fund balance - total governmental funds	\$ 1,546,197
<p>Amounts reported for governmental activities in the statements of activities are different because:</p> <p>Governmental funds report capital outlays as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation</p>	
Depreciation expense	(166,997)
Capital outlay	2,080,957
Loss on disposal of asset	(6,001)
<p>Long-term liabilities are not due and payable in the current year period and are not reported to the funds:</p> <p>Increases in compensated absences are reported as a decrease in expenditures when financial resources are used in the governmental fund in accordance with GASB Interpretation No. 6</p>	
	(28,573)
Unavailable revenue from other governmental units at June 30, 2023 and collected after September 1, 2023	295,661
Unavailable revenue from other governmental units at June 30, 2022 and collected after September 1, 2022	(195,038)
<p>Some expenses reported in the statement of activities do not require the use of current resources and, therefore are not reported as expenditures in the governmental funds:</p>	
Pension related items	(530,446)
OPEB related items	656,833
	656,833
Change in net position of governmental activities	\$ 3,652,593

See accompanying notes to financial statements.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C.O.O.R. Intermediate School District is an intermediate school district encompassing the constituent local school districts of Crawford AuSable, West Branch-Rose City Area, Fairview Area, Mio AuSable, Gerrish-Higgins and Houghton Lake, which are located in the four county areas of Crawford, Oscoda, Ogemaw and Roscommon Counties.

The accounting policies of C.O.O.R Intermediate School District (School District) conform to U.S. generally accepted accounting principles (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the School District:

Reporting Entity

The School District is governed by an elected Board of Education. The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental and other nonprofit organizations to be included in the reporting entity. These criteria include significant operational financial relationships that determine which of the governmental and other nonprofit organizations are a part of the School District's reporting entity, and which organizations are legally separate component units of the School District. The School District has one component unit, R.O.O.C., Inc.

C.O.O.R. Intermediate School District receives funding from local, state, and federal governmental sources and must comply with any related regulations and requirements of these funding source entities. The Intermediate School District is not, however, included in any other governmental "reporting entity" since the School Board, consisting of seven members, is elected and has decision-making authority, power to designate management, ability to significantly influence operations, and primary accountability in fiscal matters.

R.O.O.C., Inc., a Michigan nonprofit corporation, was organized to provide and maintain programs for mentally and physically handicapped persons who are residents of the C.O.O.R. Intermediate School District. The C.O.O.R. Intermediate School District Board of Directors is also the Board of Directors for R.O.O.C., Inc. In addition, C.O.O.R. Intermediate School District exercises significant oversight responsibility over the financial activities and transactions of R.O.O.C., Inc. Accordingly, R.O.O.C., Inc. is considered a component unit of the C.O.O.R. Intermediate School District.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

District-wide and Fund Financial Statements

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All of the School District's government-wide activities are considered governmental activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenue includes (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes, intergovernmental payments and other items are not properly included among program revenues are reported as general revenue.

Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

District-wide Statements - The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants, categorical aid and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of interfund activity has been eliminated from the district-wide financial statements.

Amounts reported as program revenue include (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes and unrestricted State aid.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund-based Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, unrestricted state aid, intergovernmental grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the government.

The School District reports the following major governmental funds:

General Fund - The General Fund is the School District's primary operating fund. It accounts for all financial resources of the School District, except those required to be accounted for in another fund.

Special Education Fund - The Special Education Fund is used to record all transactions associated with special education programs administered by the School District.

Career and Technical Education Fund - The Career and Technical Education Fund is used to record all transactions associated with all career and technical education programs administered by the School District.

Capital Project Fund - The Capital Project Fund is used to record transactions for the career tech capital improvements.

Assets, Liabilities, and Net Position or Equity

Cash and Investments - Cash and cash equivalents include cash on hand, demand deposits and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables - In general, outstanding balances between funds are reported as "due to/from other funds."

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets - Capital assets, which include land, buildings, equipment and vehicles, are reported in the applicable governmental activities column in the district-wide financial statements. Capital assets are defined by the School District as assets with an initial individual cost of more than \$5,000 and any asset susceptible to theft. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Costs of normal repair and maintenance that do not add to the value or materially extend asset lives are not capitalized. The School District does not have infrastructure-type assets.

Buildings, equipment and vehicles are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	7-50 years
Buses and other vehicles	8-10 years
Furniture and equipment	5-20 years

Compensated Absences - The liability for compensated absences reported in the district-wide statements consists of unpaid, accumulated annual and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who are currently eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

Long-term Obligations - In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Defined Benefit Plan - For purposes of measuring the net pension and other postemployment benefit liability, deferred outflows of resources and deferred inflows of resources related to pensions and other postemployment benefits and pension and other postemployment benefits expense, information about the fiduciary net position of the Michigan Public School Employees Retirement Systems (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Equity - The fund balance classifications are reported on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. The fund balances are classified as nonspendable, restricted, committed, assigned and unassigned.

Nonspendable fund balance represents amounts that are not in a spendable form. The School District's nonspendable fund balance represents inventories and prepaid expenditures. In the fund financial statements, governmental funds report restrictions on fund balances for amounts that are legally restricted by outside parties for a specific purpose. Committed fund balance represents funds formally set aside by the School District for a particular purpose. The use of committed funds would be approved by the Board of Education through the budget process or official board action.

Assigned fund balance would represent tentative management plans that are subject to change which at the present time the School District does not have any assigned fund balance. The School District's intent would be to spend uncommitted/unassigned funds prior to the use of committed funds. When both restricted and unrestricted resources are available for use, it is the School District's policy to use restricted resources first, then unrestricted resources as they are needed.

Deferred Outflows and Inflows of Resources

Deferred Outflows - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. For district-wide financial statements, the School District reports deferred outflows of resources related to pensions and other postemployment benefits. This amount is the result of a difference between what the plan expected to earn from plan investments and what is actually earned. This amount will be amortized over the next four years and included in pension and other postemployment benefits expense. Changes in assumptions relating to the net pension and other postemployment benefits liability are deferred and amortized over the expected remaining service lives of the employees and retirees in the plan. The School District also reported deferred outflows of resources for pension and other postemployment benefits contributions made after the measurement date. This amount will reduce the net pension and other postemployment benefits liability in the following year.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows - In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Unavailable revenue arises only under a modified accrual basis of accounting. Accordingly, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from receipts that are received after 60 days of year end. These amounts are deferred and recognized as inflow of resources in the period that the amounts become available. For district-wide financial statements, the School District reports deferred inflows of resources related to pensions and other postemployment benefits. This amount is the result of a difference between what the plan expected to earn from the plan investments and what the plan actually earned. This amount will be amortized over the next four years and included in pension and other postemployment benefits expense. Changes in assumptions relating to the net pension liability are deferred and amortized over the expected remaining service lives of the employees and retirees in the plan. Deferred inflows of resources also includes revenue received relating to Section 147c state aid deferred to offset the deferred outflows related to Section 147c pension contributions subsequent to the measurement period.

Use of Estimates - The process of preparing the basic financial statements in conformity with U.S. generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenditures. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Property Taxes - For the taxpayers of the School District, properties are assessed as of December 31 and the related property taxes are levied and become a lien on July 1 and/or December 31 of the following year. The final collection date is February 28, after which uncollected taxes are added to the County delinquent tax rolls.

State Aid - The School District also receives revenue from the state to administer certain categorical education programs. State rules require that revenue earmarked for these programs be used for its specific purpose. Certain categorical funds require an accounting to the state of the expenditures incurred. For categorical funds meeting this requirement, funds received, which are not expended by the close of the fiscal year are recorded as deferred revenue. Other categorical funding is recognized when the appropriation is received.

Events Occurring After Reporting Date

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through the date of the accompanying Independent Auditor's Report, which is the date the financial statements were available to be issued.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 2 - BUDGETS

The State of Michigan adopted a Uniform Budgeting and Accounting Act (Act) applicable to all local governmental entities in the state. The law requires appropriation acts to be adopted for General and Special Revenue Funds of school districts prior to the expenditure of monies in a fiscal year.

C.O.O.R Intermediate School District follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The School District's Superintendent submits to the Board of Education a proposed budget prior to July 1 of each year. The budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Budgeted amounts are as originally adopted, or as amended by the Board of Education throughout the year. Budgets are adopted to the functional level.
4. Appropriations lapse at year-end and therefore cancels all encumbrances. These appropriations are re-established at the beginning of the following year.

A comparison of actual results of operations to the budgeted amounts (at the level of control adopted by the Board of Education) for the General Fund, Special Education and Career and Technical Education are presented as Required Supplemental Information.

Expenditures shall not be made or incurred, unless authorized in the budget, in excess of the amount appropriated. Violations, if any, in the General Fund, Special Education and Career and Technical Education, are noted in the required supplementary information section.

NOTE 3 - CASH AND INVESTMENTS

Some statutes and the School District's investment policy authorize the School District to make deposits in the accounts of federally insured banks, credit unions and savings and loan associations that have an office in Michigan; the School District is allowed to invest in U.S. Treasury or Agency obligations, U.S. government repurchase agreements, bankers' acceptances, commercial paper rated prime at the time of purchase that matures not more than 270 days after the date of purchase, mutual funds and investment pools that are composed of authorized investment vehicles. The School District's deposits are in accordance with statutory authority.

At year-end, the School District's deposits and investments were reported in the basic financial statements in the following categories:

	Primary Government	Component Unit	Total
Cash and Investments	\$ 6,619,961	\$ 284,167	\$ 6,904,128

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

The breakdown between deposits and investments for the School District is as follows:

	Primary Government	Component Unit
Deposits (checking and savings accounts)	\$ 6,619,811	\$ 283,917
Petty cash and cash on hand	150	250
Total	\$ 6,619,961	\$ 284,167

Credit Risk - Investments

State law limits investments in commercial paper and corporate bonds to a prime or better rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2023, the School District's and the Component Unit's investment in the investment pool and the Municipal Investment Fund were rated AAA by Standard & Poor's.

The School District's and the Component Unit's investment policy does not identify interest rate risk, foreign currency risk or concentration of credit risk.

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. As of June 30, 2023, \$7,233,915 of the School District's bank balance of \$7,483,915 was exposed to custodial credit risk because it was uninsured and exceeded the available federal depository insurance limits. As a result of overlap in bank account administration, the custodial credit risk of the Component Unit is included in the balances referred to above and cannot be presented for separate reporting.

Fair Value Measurement

The School District is required to disclose amounts within a framework established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Quoted prices in active markets for identical securities.

Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include prices for similar securities, interest rates, prepayment speeds, credit risk and others.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant, unobservable inputs may be used. Unobservable inputs reflect the District's own assumptions about the factors market participants would use in pricing an investment and would be based on the best information available.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The School District does not have any investments subject to the fair value measurement.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 4 - CAPITAL ASSETS

A summary of changes in governmental capital assets follows:

	Balance June 30, 2022	Additions	Disposals and Adjustments	Balance June 30, 2023	Component Unit
Assets not being depreciated:					
Land	\$ 658,986	\$ 0	\$ 0	\$ 658,986	\$ 5,500
Construction in progress	0	1,653,612	0	1,653,612	0
Subtotal	658,986	1,653,612	0	2,312,598	5,500
Capital assets being depreciated:					
Buildings and improvements	2,621,852	27,975	(64,774)	2,585,053	846,134
Buses and other vehicles	997,318	148,920	(293,768)	852,470	59,832
Furniture and equipment	632,214	250,450	(176,950)	705,714	92,234
Subtotal	4,251,384	427,345	(535,492)	4,143,237	998,200
Accumulated depreciation:					
Buildings and improvements	1,976,507	42,257	(63,525)	1,955,239	736,842
Buses and other vehicles	792,765	87,352	(293,768)	586,349	23,810
Furniture and equipment	456,605	37,388	(172,198)	321,795	92,235
Subtotal	3,225,877	166,997	(529,491)	2,863,383	852,887
Net capital assets being depreciated	1,025,507	260,348	(6,001)	1,279,854	145,313
Net capital assets	<u>\$ 1,684,493</u>	<u>\$ 1,913,960</u>	<u>\$ (6,001)</u>	<u>\$ 3,592,452</u>	<u>\$ 150,813</u>

Depreciation expense for fiscal year ended June 30, 2023 was \$166,997. The School District determined that it was impractical to allocate depreciation to the various governmental activities as the assets serve multiple functions.

Component unit depreciation for fiscal year ended June 30, 2023 amounted to \$23,713.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 5 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A summary of interfund transfers made during the year ended June 30, 2023 are as follows:

		<u>Transfers Out</u>
		<u>General Fund</u>
	Career and Technical Education	\$ 49,276
Transfers In	NMEC	381
	Capital Projects	300,000
		\$ 349,657

Transfers were made for program charges and to supplement Career and Technical Education and NMEC operational costs and capital projects.

NOTE 6 - RECEIVABLES

Receivables at June 30, 2023 consist of accounts (fees), intergovernmental grants and interest.

A summary of the intergovernmental receivables (due from other governmental units) follows:

State aid	\$	2,188,354
Federal grants		1,322,593
Other		307,840
	\$	3,818,787

NOTE 7 - UNEARNED REVENUE

Governmental funds report unearned revenue in connection with receivables for revenue that are not considered to be available to liquidate liabilities of the current period. Governmental funds also reflect unearned revenue in connection with resources that have been received but not yet earned. At the end of the current fiscal year, grant and categorical aid payments received prior to meeting all eligibility requirements amounted to \$4,263,742.

NOTE 8 - LONG-TERM OBLIGATIONS

The following is a summary of governmental long-term obligations for the School District for the year ended June 30, 2023:

	<u>Balance</u> <u>June 30, 2022</u>	<u>Additions</u>	<u>Retirements and</u> <u>Payments</u>	<u>Balance</u> <u>June 30, 2023</u>
Compensated absences	\$ 67,534	\$ 28,573	\$ 0	\$ 96,107

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 8 - LONG-TERM OBLIGATIONS (CONTINUED)

Under the terms of the present contracts between the Board of Education of C.O.O.R. Intermediate School District and the various employee associations, the School District is contingently liable for unused sick and vacation days. Each employee may accumulate various amounts of sick and vacation days and must be paid for them upon retirement. At June 30, 2023, the amount of \$96,107 has been reflected in the district-wide financial statements.

NOTE 9 - RISK MANAGEMENT

The School District is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The School District has purchased commercial insurance for medical claims and participates in the SET-SEG risk pool for claims relating to workers' compensation, general liability, and property/casualty claims. Settled claims relating to the commercial insurance did not exceed the amount of insurance coverage in any of the past three fiscal years.

The SET-SEG shared-risk pool program in which the School District participates operates as a common risk-sharing management program for school districts in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

NOTE 10 - DEFINED BENEFIT PENSION PLAN AND POSTEMPLOYMENT BENEFITS

Plan Description

The Michigan Public School Employees' Retirement System (MPERS) (System) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. MPERS issues a publicly available Comprehensive Annual Financial Report that can be obtained at www.michigan.gov/orsschools.

The System's pension plan was established by the State to provide retirement, survivor and disability benefits to public school employees. In addition, the System's health plan provides all retirees with option of receiving health, prescription drug, dental and vision coverage under the Michigan Public School Employees' Retirement Act.

The System is administered by the Office of Retirement Services (ORS) within the Michigan Department of Technology, Management & Budget. The Department Director appoints the Office Director, with whom the general oversight of the System resides. The State of Michigan Investment Board serves as the investment fiduciary and custodian for the system.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 10 - DEFINED BENEFIT PENSION PLAN AND POSTEMPLOYMENT BENEFITS
(CONTINUED)

Benefits Provided - Overall

Participants are enrolled in one of multiple plans based on date of hire and certain voluntary elections. A summary of the pension plans offered by MPSERS is as follows:

<u>Plan Name</u>	<u>Plan Type</u>	<u>Plan Status</u>
Basic	Defined Benefit	Closed
Member Investment Plan (MIP)	Defined Benefit	Closed
Pension Plus	Hybrid	Closed
Pension Plus 2	Hybrid	Open
Defined Contribution	Defined Contribution	Open

Benefits Provided - Pension

Benefit provisions of the defined benefit pension plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit (DB) pension plan. Retirement benefits for DB plan members are determined by final average compensation and years of service. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements. The System also provides disability and survivor benefits to DB plan members.

Prior to Pension reform of 2010 there were two plans commonly referred to as Basic and the Member Investment Plan (MIP). Basic Plan member's contributions range from 0% - 4%. On January 1, 1987, the Member Investment Plan (MIP) was enacted. MIP members enrolled prior to January 1, 1990, contribute at a permanently fixed rate of 3.9% of gross wages. Members first hired January 1, 1990, or later including Pension Plus Plan members, contribute at various graduated permanently fixed contribution rates from 3.0% - 7.0%.

Pension Reform 2010

On May 19, 2010, the Governor signed Public Act 75 of 2010 into law. As a result, any member of the Michigan Public School Employees' Retirement System (MPSERS) who became a member of MPSERS after June 30, 2010 is a Pension Plus member. Pension Plus is a hybrid plan that contains a pension component with an employee contribution (graded, up to 6.4% of salary) and a flexible and transferable defined contribution (DC) tax-deferred investment account that earns an employer match of 50% (up to 1% of salary) on employee contributions. Retirement benefits for Pension Plus members are determined by final average compensation and years of service. Disability and survivor benefits are available to Pension Plus members.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 10 - DEFINED BENEFIT PENSION PLAN AND POSTEMPLOYMENT BENEFITS
(CONTINUED)

Pension Reform 2012

On September 4, 2012, the Governor signed Public Act 300 of 2012 into law. The legislation grants all active members who first became a member before July 1, 2010 and who earned service credit in the 12 months ending September 3, 2012, or were on an approved professional services or military leave of absence on September 3, 2012, a voluntary election regarding their pension. Any changes to a member's pension are effective as of the member's transition date, which is defined as the first day of the pay period that begins on or after February 1, 2013.

Under the reform, members voluntarily chose to increase, maintain, or stop their contributions to the pension fund.

An amount determined by the member's election of Option 1, 2, 3, or 4 described below:

Option 1 – Members voluntarily elected to increase their contributions to the pension fund as noted below, and retain the 1.5% pension factor in their pension formula. The increased contribution would begin as of their transition date and continue until they terminate public school employment.

- Basic plan members: 4% contribution
- Member Investment Plan (MIP)-Fixed, MIP-Graded, and MIP-Plus members: a flat 7% contribution

Option 2 – Members voluntarily elected to increase their contribution to the pension fund as stated in Option 1 and retain the 1.5% pension factor in their pension formula. The increased contribution would begin as of their transition date and continue until they reach 30 years of service. If and when they reach 30 years of service, their contribution rates will return to the previous level in place as of the day before their transition date (0% for Basic plan members, 3.9% for MIP-Fixed, up to 4.3% for MIP-Graded, or up to 6.4% for MIP-Plus). The pension formula for any service thereafter would include a 1.25% pension factor.

Option 3 – Members voluntarily elected not to increase their contribution to the pension fund and maintain their current level of contribution to the pension fund. The pension formula for their years of service as of the day before their transition date will include a 1.5% pension factor. The pension formula for any service thereafter will include a 1.25% pension factor.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 10 - DEFINED BENEFIT PENSION PLAN AND POSTEMPLOYMENT BENEFITS
(CONTINUED)

Option 4 – Members voluntarily elected to no longer contribute to the pension fund and therefore are switched to the Defined Contribution plan for future service as of their transition date. As a DC participant they receive a 4% employer contribution to the tax-deferred 401(k) account and can choose to contribute up to the maximum amounts permitted by the IRS to a 457 account. They vest in employer contributions and related earnings in their 401(k) account based on the following schedule: 50% at 2 years, 75% at 3 years, and 100% at 4 years of service. They are 100% vested in any personal contributions and related earnings in their 457 account. Upon retirement, if they meet age and service requirements (including their total years of service), they would also receive a pension (calculated based on years of service and final average compensation as of the day before their transition date and a 1.5% pension factor).

Members who did not make an election before the deadline defaulted to Option 3 as described above. Deferred or nonvested public school employees on September 3, 2012, who return to public school employment on or after September 4, 2012, will be considered as if they had elected Option 3 above. Returning members who made the retirement plan election will retain whichever option they chose.

Employees who first worked on or after September 4, 2012 choose between two retirement plans: the Pension Plus Plan and a Defined Contribution that provides a 50% employer match up to 3% of salary on employee contributions.

Final Average Compensation (FAC) - Average of highest 60 consecutive months for Basic Plan members and Pension Plus members (36 months for MIP members). FAC is calculated as of the last day worked unless the member elected Option 4, in which case the FAC is calculated at the transition date.

Pension Reform of 2017

On July 13, 2017, the Governor signed Public Act 92 of 2017 into law. The legislation closed the Pension Plus plan to newly hired employees as of February 1, 2018 and created a new, optional Pension Plus 2 plan with similar plan benefit calculations but containing a 50/50 contribution share between the employee and the employer, including the cost of future unfunded liabilities. The assumed rate of return on the Pension Plus 2 plan is 6%. Further, under certain adverse actuarial conditions, the Pension Plus 2 plan will close to new employees if the actuarial funded ratio falls below 85% for two consecutive years. The law included other provisions to the retirement eligibility age, plan assumptions, and unfunded liability payment methods.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 10 - DEFINED BENEFIT PENSION PLAN AND POSTEMPLOYMENT BENEFITS
(CONTINUED)

Benefits Provided – Other postemployment benefit (OPEB)

Benefit provisions of the postemployment healthcare plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions. Retirees have the option of health coverage, which, through 2012, was funded on a cash disbursement basis. Beginning fiscal year 2013, it is funded on a prefunded basis. The System has contracted to provide the comprehensive group medical, prescription drug, dental and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by the System with the balance deducted from the monthly pension of each retiree health care recipient. For members who first worked before July 1, 2008, (Basic, MIP-Fixed, and MIP-Graded plan members), the subsidy is the maximum allowed by statute. To limit future liabilities of Other Postemployment Benefits, members who first worked on or after July 1, 2008, (MIP-Plus plan members), have a graded premium subsidy based on career length where they accrue credit towards their insurance premiums in retirement, not to exceed the maximum allowable by statute. Public Act 300 of 2012 sets the maximum subsidy at 80% beginning January 1, 2013; 90% for those Medicare eligible and enrolled in the insurances as of that date.

Retiree Healthcare Reform of 2012

Public Act 300 of 2012 granted all active members of the Michigan Public School Employees Retirement System, who earned service credit in the 12 months ending September 3, 2012, or were on an approved professional services or military leave of absence on September 3, 2012, a voluntary election regarding their retirement healthcare. Any changes to a member's healthcare benefit are effective as of the member's transition date, which is defined as the first day of the pay period that begins on or after February 1, 2013.

Under Public Act 300 of 2012, members were given the choice between continuing the 3% contribution to retiree healthcare and keeping the premium subsidy benefit described above, or choosing not to pay the 3% contribution and instead opting out of the subsidy benefit and becoming a participant in the Personal Healthcare Fund (PHF), a portable, tax-deferred fund that can be used to pay healthcare expenses in retirement. Participants in the PHF are automatically enrolled in a 2% employee contribution into their 457 account as of their transition date, earning them a 2% employer match into a 401(k) account. Members who selected this option stop paying the 3% contribution to retiree healthcare as of the day before their transition date, and their prior contributions will be deposited into their 401(k) accounts.

Regular Retirement (no reduction factor for age)

Eligibility – A Basic plan member may retire at age 55 with 30 years credited service; or age 60 with 10 years credited service. For Member Investment Plan (MIP) members, age 46 with 30 years credited service; or age 60 with 10 years credited service; or age 60 with 5 years of credited service provided member worked through 60th birthday and has credited service in each of the last 5 years. For Pension Plus Plan (PPP) members, age 60 with 10 years of credited service.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 10 - DEFINED BENEFIT PENSION PLAN AND POSTEMPLOYMENT BENEFITS
(CONTINUED)

Annual Amount – The annual pension is paid monthly for the lifetime of a retiree. The calculation of a member’s pension is determined by their pension election under PA 300 of 2012.

Member Contributions

Depending on the plan selected, member contributions range from 0% - 7% for pension and 0% - 3% for other postemployment benefits. Plan members electing the defined contribution plan are not required to make additional contributions.

Employer Contributions

Employers are required by Public Act 300 of 1980, as amended, to contribute amounts necessary to finance the coverage of pension benefits and OPEB. Contribution provisions are specified by State statute and may be amended only by action of the State Legislature.

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The normal cost is the annual cost assigned under the actuarial funding method, to the current and subsequent plan years. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis.

Pension and OPEB contributions made in the fiscal year ending September 30, 2022 were determined as of the September 30, 2019 actuarial valuations. The pension and OPEB benefits, the unfunded (overfunded) actuarial accrued liabilities as of September 30, 2019, are amortized over a 17-year period beginning October 1, 2021 and ending September 30, 2038.

The School District’s contributions are determined based on employee elections. There are several different benefit options included in the plan available to employees based on date of hire. Contribution rates are adjusted annually by the ORS. The range of rates is as follows:

	Pension	Other Postemployment Benefit
October 1, 2022 - September 30, 2023	13.75% - 20.16%	7.21% - 8.07%
October 1, 2021 - September 30, 2022	13.73% - 20.14%	7.23% - 8.09%

The School District's pension contributions for the year ended June 30, 2023 were equal to the required contribution total. Total pension contributions were approximately \$2,002,000. Of the total pension contributions approximately \$1,765,000 was contributed to fund the Defined Benefit Plan and approximately \$237,000 was contributed to fund the Defined Contribution Plan.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 10 - DEFINED BENEFIT PENSION PLAN AND POSTEMPLOYMENT BENEFITS
(CONTINUED)

The School District's OPEB contributions for the year ended June 30, 2023 were equal to the required contribution total. Total OPEB contributions were approximately \$347,000. Of the total OPEB contributions approximately \$333,000 was contributed to fund the Defined Benefit Plan and approximately \$13,000 was contributed to fund the Defined Contribution Plan.

These amounts, for both pension and OPEB benefits, include contributions funded from State Revenue Section 147c restricted to fund the MPSERS Unfunded Actuarial Accrued Liability (UAAL) Stabilization Rate (100% for pension and 0% for OPEB).

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liabilities

The net pension liability was measured as of September 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation date of September 30, 2021 and rolled-forward using generally accepted actuarial procedures. The School District's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined.

MPSERS (Plan) Non-University Employers:	September 30, 2022	September 30, 2021
Total Pension Liability	\$ 95,876,795,620	\$ 86,392,473,395
Plan Fiduciary Net Position	\$ 58,268,076,344	\$ 62,717,060,920
Net Pension Liability	\$ 37,608,719,276	\$ 23,675,412,475
Proportionate share	0.04003 %	0.03765 %
Net Pension liability for the School District	\$ 15,055,357	\$ 8,912,848

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2023, the School District recognized pension expense of approximately \$2,446,000.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 10 - DEFINED BENEFIT PENSION PLAN AND POSTEMPLOYMENT BENEFITS
(CONTINUED)

At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences between expected and actual experience	\$ 150,606	\$ (33,662)
Net difference between projected and actual earnings on pension plan investments	35,305	0
Changes in assumptions	2,587,050	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	613,155	(321,950)
Unearned revenue related to pension portion of section 147 c	0	(960,493)
School District's contributions subsequent to the measurement date	1,567,608	0
Total	\$ 4,953,724	\$ (1,316,105)

\$1,567,608, reported as deferred outflows of resources related to pensions resulting from School District employer contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

Other amounts reported as deferred outflows of resources and (deferred inflows) of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	Amount
2024	\$ 859,363
2025	625,532
2026	620,735
2027	924,874
	\$ 3,030,504

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 10 - DEFINED BENEFIT PENSION PLAN AND POSTEMPLOYMENT BENEFITS
(CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

OPEB Liabilities

The net OPEB liability was measured as of September 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation date of September 30, 2021 and rolled-forward using generally accepted actuarial procedures. The School District's proportion of the net OPEB liability was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined.

MPSERS (Plan) Non-University Employers:	September 30, 2022	September 30, 2021
Total OPEB Liability	\$ 12,522,713,324	\$ 12,046,393,511
Plan Fiduciary Net Position	\$ 10,404,650,683	\$ 10,520,015,621
Net OPEB Liability	\$ 2,118,062,641	\$ 5,357,266,979
Proportionate share	0.04171 %	0.03764 %
Net OPEB liability for the School District	\$ 883,519	\$ 574,528

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the School District recognized OPEB expense of approximately \$(337,000).

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 10 - DEFINED BENEFIT PENSION PLAN AND POSTEMPLOYMENT BENEFITS
(CONTINUED)

At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference between expected and actual experience	\$ 0	\$ (1,730,475)
Net difference between projected and actual plan investments	69,054	0
Changes in assumption	787,509	(64,123)
Changes in proportion and differences between employer contributions and proportionate share of contributions	215,297	(157,408)
School District's contributions subsequent to the measurement date	252,088	0
Total	\$ 1,323,948	\$ (1,952,006)

\$252,088, reported as deferred outflows of resources related to OPEB resulting from School District employer contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year.

Other amounts reported as deferred outflows of resources and (deferred inflows) of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	Amount
2024	\$ (333,713)
2025	(303,075)
2026	(268,833)
2027	(1,409)
2028	18,449
Thereafter	8,435
	\$ (880,146)

Actuarial Assumptions

Investment rate of return for Pension - 6.00% a year, compounded annually net of investment and administrative expenses for the MIP, Basic, Pension Plus and Pension Plus 2 groups.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 10 - DEFINED BENEFIT PENSION PLAN AND POSTEMPLOYMENT BENEFITS
(CONTINUED)

Investment rate of return for OPEB - 6.00% a year, compounded annually net of investment and administrative expenses.

Salary increases - The rate of pay increase used for individual members is 2.75% - 11.55%, including wage inflation at 2.75%.

Inflation - 3.0%

Mortality assumptions -

Retirees: RP-2014 Male and Female Healthy Annuitant Mortality Tables scaled by 82% for males and 78% for females and adjusted for mortality improvements using projection scale MP-2017 from 2006.

Active: RP-2014 Male and Female Employee Annuitant Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

Disabled Retirees: RP-2014 Male and Female Disabled Annuitant Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

Experience study - The annual actuarial valuation report of the System used for these statements is dated September 30, 2021. Assumption changes as a result of an experience study for the periods 2012 through 2017 have been adopted by the System for use in the determination of the total pension and OPEB liability beginning with the September 30, 2018 Comprehensive Annual Financial Report.

The long-term expected rate of return on pension and other postemployment benefit plan investments - The pension rate was 6.00% (MIP, Basic, Pension Plus Plan and Pension Plus 2 Plan), and the other postemployment benefit rate was 6.95%, net of investment and administrative expenses was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan and OPEB investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Cost of Living Pension Adjustments – 3.0% annual non-compounded for MIP members.

Healthcare cost trend rate for other postemployment benefit – Pre 65, 7.75% for year one and graded to 3.5% for year fifteen. Post 65, 5.25% for year one and graded to 3.5% in year fifteen.

Additional assumptions for other postemployment benefit only – Applies to individuals hired before September 4, 2012:

Opt Out Assumption - 21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt out of the retiree health plan.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 10 - DEFINED BENEFIT PENSION PLAN AND POSTEMPLOYMENT BENEFITS
(CONTINUED)

Survivor Coverage - 80% of male retirees and 67% of female retirees are assumed to have coverage continuing after the retiree's death.

Coverage Election at Retirement - 75% of male and 60% of female future retirees are assumed to elect coverage for 1 or more dependents.

The target asset allocation at September 30, 2022 and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Investment Category	Target Allocation*	Long-Term Expected Real Rate of Return*
Domestic Equity Pools	25.0%	5.1%
Private Equity Pools	16.0%	8.7%
International Equity Pools	15.0%	6.7%
Fixed Income Pools	13.0%	(0.2)%
Real Estate and Infrastructure Pools	10.0%	5.3%
Absolute Return Pools	9.0%	2.7%
Real Return/Opportunistic Pools	10.0%	5.8%
Short Term Investment Pools	2.0%	(0.5)%
Total	100.0%	

*Long term rate of return are net of administrative expenses and 2.2% inflation.

Rate of return - For fiscal year ended September 30, 2022, the annual money-weighted rate of return on pension and OPEB plan investments, net of pension and OPEB plan investment expense, was (4.18)% and (4.99)% respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amount actually invested.

Pension discount rate - A single discount rate of 6.00% was used to measure the total pension liability. This discount rate was based on the long-term rate of return on pension plan investments of 6.00%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions from school districts will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 10 - DEFINED BENEFIT PENSION PLAN AND POSTEMPLOYMENT BENEFITS
(CONTINUED)

OPEB discount rate - A single discount rate of 6.00% was used to measure the total OPEB liability. This discount rate was based on the long-term expected rate of return on OPEB plan investments of 6.00%. The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that school districts contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the net pension liability to changes in the discount rate - The following presents the School District's proportionate share of the net pension liability calculated using a single discount rate of 6.00%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	Pension		
	1% Decrease	Discount Rate	1% Increase
School District's proportionate share of the net pension liability	<u>\$19,867,478</u>	<u>\$15,055,357</u>	<u>\$11,089,985</u>

Sensitivity of the net OPEB liability to changes in the discount rate - The following presents the School District's proportionate share of the net OPEB liability calculated using the discount rate of 6.00%, as well as what the Reporting Unit's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	Other postemployment benefit		
	1% Decrease	Discount Rate	1% Increase
School District's proportionate share of the net OPEB liability	<u>\$1,482,018</u>	<u>\$883,519</u>	<u>\$379,508</u>

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 10 - DEFINED BENEFIT PENSION PLAN AND POSTEMPLOYMENT BENEFITS
(CONTINUED)

Sensitivity to the net OPEB liability to changes in the healthcare cost trend rates - The following presents the School District's proportionate share of the net other postemployment benefit liability calculated using the healthcare cost trend rate, as well as what the School District's proportionate share of the net other postemployment benefit liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	Other postemployment benefit		
	1% Decrease	Current Healthcare cost trend rates	1% Increase
School District's proportionate share of the net OPEB liability	<u>\$369,975</u>	<u>\$883,519</u>	<u>\$1,459,982</u>

Pension and OPEB Plan Fiduciary Net Position - Detailed information about the pension and OPEB plan's fiduciary net position is available in the separately issued Michigan Public School Employees Retirement System 2022 Annual Comprehensive Financial Report.

Payable to the Pension and OPEB Plan - At year end the School District is current on all required pension and other postemployment benefit plan payments. Amounts accrued at year end for accounting purposes are included in the financial statements as a liability titled accrued payroll and payroll liabilities. These amounts represent current payments for June paid in July, accruals for summer pay primarily for teachers and the contributions due funded from State Revenue Section 147c restricted to fund the MPSERS Unfunded Actuarial Accrued Liability (UAAL).

NOTE 11 - GRANTS

The School District receives significant financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the School District's independent auditors and other governmental auditors. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable fund. Based on prior experience, the School District administration believes such disallowance, if any, would be immaterial.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 12 - TAX ABATEMENTS

The School District receives reduced property tax revenues as a result of Industrial Facilities Tax exemptions, Brownfield Redevelopment Agreements, and Payments in Lieu of Taxes (PILOT) granted by cities, villages and townships. Industrial facility exemptions are intended to promote construction of new industrial facilities, or to rehabilitate historical facilities; Brownfield Redevelopment Agreements are intended to reimburse taxpayers that remediate environmental contamination on their properties; PILOT programs apply to multiple unit housing for citizens of low income and the elderly.

There are no significant abatements made by the School District.

NOTE 13 - UPCOMING ACCOUNTING PRONOUNCEMENT

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The School District is currently evaluating the impact this standard will have on the financial statements when adopted during the 2023-2024 fiscal year.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. The School District is currently evaluating the impact this standard will have on the financial statements when adopted during the 2024-2025 fiscal year.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Required Supplemental Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2023

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
Local sources	\$ 1,023,800	\$ 1,100,507	\$ 1,111,237	\$ 10,730
State sources	4,013,090	5,295,065	4,762,277	(532,788)
Federal sources	628,122	793,605	898,744	105,139
Interdistrict and other sources	0	379,778	0	(379,778)
Total revenues	<u>5,665,012</u>	<u>7,568,955</u>	<u>6,772,258</u>	<u>(796,697)</u>
<u>Expenditures</u>				
Instruction:				
Added needs	31,257	5,461	5,461	0
Support services:				
Pupil	372,579	690,418	695,553	(5,135)
Instructional staff	766,978	995,596	1,004,025	(8,429)
General administrative	613,232	722,972	734,030	(11,058)
School administrative	1,039,312	320,294	320,956	(662)
Business services	8,948	179,841	182,498	(2,657)
Operations and maintenance	70,480	82,202	82,884	(682)
Information services	335,756	352,859	353,300	(441)
Capital outlay	0	3,063	3,063	0
Support other	0	2,675	2,773	(98)
Community services	0	612,186	615,630	(3,444)
Total expenditures	<u>3,238,542</u>	<u>3,967,567</u>	<u>4,000,173</u>	<u>(32,606)</u>
Excess (deficiency) of revenues over expenditures	<u>2,426,470</u>	<u>3,601,388</u>	<u>2,772,085</u>	<u>(829,303)</u>
<u>Other Financing Sources (Uses)</u>				
Operating transfers in from other governmental units	444,436	441,321	379,709	(61,612)
Operating transfers out to other governmental units	(2,709,863)	(2,567,167)	(2,672,715)	(105,548)
Operating transfers out to other funds	0	(349,657)	(349,657)	0
Total other financing sources (uses)	<u>(2,265,427)</u>	<u>(2,475,503)</u>	<u>(2,642,663)</u>	<u>(167,160)</u>
Net change in fund balance	161,043	1,125,885	129,422	(996,463)
Fund balance - beginning of year	<u>1,834,902</u>	<u>1,834,902</u>	<u>1,834,902</u>	<u>0</u>
Fund balance - end of year	<u>\$ 1,995,945</u>	<u>\$ 2,960,787</u>	<u>\$ 1,964,324</u>	<u>\$ (996,463)</u>

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Required Supplemental Information
Budgetary Comparison Schedule - Special Education Fund
For the Year Ended June 30, 2023

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
Local sources	\$ 3,245,513	\$ 3,521,552	\$ 3,531,109	\$ 9,557
State sources	1,995,741	3,151,584	3,500,619	349,035
Federal sources	2,935,955	2,723,653	2,366,423	(357,230)
Total revenues	<u>8,177,209</u>	<u>9,396,789</u>	<u>9,398,151</u>	<u>1,362</u>
<u>Expenditures</u>				
Instruction:				
Added needs	2,308,866	2,233,817	2,249,418	(15,601)
Support services:				
Pupil	2,074,477	2,138,623	2,161,190	(22,567)
Instructional staff	498,877	453,165	462,132	(8,967)
General administrative	144,610	77,230	80,440	(3,210)
School administrative	251,503	249,649	254,002	(4,353)
Business services	23,285	35,618	35,755	(137)
Operations and maintenance	195,342	242,225	236,708	5,517
Transportation	834,445	866,696	874,187	(7,491)
Information services	162,400	172,918	173,824	(906)
Capital outlay	0	114,105	114,605	(500)
Support other	1,589	1,077	1,077	0
Community services	0	3,459	13,812	(10,353)
Total expenditures	<u>6,495,394</u>	<u>6,588,582</u>	<u>6,657,150</u>	<u>(68,568)</u>
Excess (deficiency) of revenues over expenditures	<u>1,681,815</u>	<u>2,808,207</u>	<u>2,741,001</u>	<u>(67,206)</u>
<u>Other Financing Sources (Uses)</u>				
Operating transfers in from other governmental units	691,612	656,990	804,890	147,900
Operating transfers out to other governmental units	(2,422,205)	(2,344,216)	(2,170,715)	173,501
Total other financing sources (uses)	<u>(1,730,593)</u>	<u>(1,687,226)</u>	<u>(1,365,825)</u>	<u>321,401</u>
Net change in fund balance	(48,778)	1,120,981	1,375,176	254,195
Fund balance - beginning of year	<u>163,261</u>	<u>163,261</u>	<u>163,261</u>	<u>0</u>
Fund balance - end of year	<u>\$ 114,483</u>	<u>\$ 1,284,242</u>	<u>\$ 1,538,437</u>	<u>\$ 254,195</u>

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
 Required Supplemental Information
 Budgetary Comparison Schedule - Career and Technical Education Fund
 For the Year Ended June 30, 2023

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
Local sources	\$ 20,000	\$ 20,000	\$ 20,000	\$ 0
State sources	1,727,692	1,244,490	1,272,738	28,248
Federal sources	169,596	168,199	168,199	0
Total revenues	<u>1,917,288</u>	<u>1,432,689</u>	<u>1,460,937</u>	<u>28,248</u>
<u>Expenditures</u>				
Instruction:				
Added needs	537,533	710,243	759,812	(49,569)
Support services:				
Pupil	176,646	174,934	44,695	130,239
Instructional staff	0	0	27,375	(27,375)
General administrative	223,097	162,246	185,030	(22,784)
Business services	1,850	24,600	20,142	4,458
Operations and maintenance	1,000,000	321,059	318,740	2,319
Transportation	0	0	2,000	(2,000)
Information services	0	0	94,816	(94,816)
Support other	10,702	52,428	958	51,470
Total expenditures	<u>1,949,828</u>	<u>1,445,510</u>	<u>1,453,568</u>	<u>(8,058)</u>
Excess (deficiency) of revenues over expenditures	<u>(32,540)</u>	<u>(12,821)</u>	<u>7,369</u>	<u>20,190</u>
<u>Other Financing Sources (Uses)</u>				
Operating transfers in from other governmental units	395,817	356,276	312,000	(44,276)
Operating transfers out to other governmental units	(252,678)	(331,361)	(349,043)	(17,682)
Operating transfers in from other funds	0	0	49,276	49,276
Total other financing sources (uses)	<u>143,139</u>	<u>24,915</u>	<u>12,233</u>	<u>(12,682)</u>
Net change in fund balance	110,599	12,094	19,602	7,508
Fund balance - beginning of year	<u>245,390</u>	<u>245,390</u>	<u>245,390</u>	<u>0</u>
Fund balance - end of year	<u>\$ 355,989</u>	<u>\$ 257,484</u>	<u>\$ 264,992</u>	<u>\$ 7,508</u>

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
 Required Supplemental Information
 Schedule of the Reporting Unit's Proportionate Share of the Net Pension Liability
 Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years (Amounts were determined as of 9/30 of each fiscal year)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Reporting unit's proportion of net pension liability (%)	0.04003 %	0.03765 %	0.03873 %	0.03998 %	0.03753 %	0.04012 %	0.03894 %	0.03861 %	0.03753 %
Reporting unit's proportionate share of net pension liability	\$ 15,055,357	\$ 8,912,848	\$ 13,303,352	\$ 13,239,363	\$ 11,281,693	\$ 10,397,134	\$ 9,714,411	\$ 9,429,667	\$ 8,267,124
Reporting unit's covered-employee payroll	\$ 4,126,397	\$ 3,465,156	\$ 3,484,938	\$ 3,571,901	\$ 3,523,064	\$ 3,427,920	\$ 3,322,095	\$ 3,735,841	\$ 3,207,846
Reporting unit's proportionate share of net pension liability as a percentage of its covered-employee payroll	27.40816 %	38.87821 %	26.19594 %	26.97940 %	31.22815 %	32.96985 %	34.19760 %	39.61795 %	38.80244 %
Plan fiduciary net position as a percentage of total pension liability	60.77000 %	72.60000 %	59.72000 %	60.31000 %	62.36000 %	64.21000 %	63.27000 %	62.92000 %	66.15000 %

With the implementation of GASB Statement No. 68 in 2015, the 10 year history will be provided prospectively until a full 10 year history is shown.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Required Supplemental Information
Schedule of the Reporting Unit's Pension Contributions
Michigan Public School Employees Retirement Plan
Last 10 Reporting Unit Fiscal Years (Amounts were determined as of 6/30 of each fiscal year)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contributions	\$ 1,764,559	\$ 1,222,142	\$ 1,103,778	\$ 1,088,622	\$ 1,058,389	\$ 1,029,255	\$ 955,926	\$ 905,044	\$ 707,465
Contributions in relation to statutorily required contributions*	<u>1,764,559</u>	<u>1,222,142</u>	<u>1,103,778</u>	<u>1,088,622</u>	<u>1,058,389</u>	<u>1,029,255</u>	<u>955,926</u>	<u>905,044</u>	<u>707,465</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reporting unit's covered-employee payroll	\$ 4,400,220	\$ 3,704,909	\$ 3,321,745	\$ 3,687,887	\$ 3,525,626	\$ 3,494,800	\$ 3,539,385	\$ 3,256,176	\$ 3,267,840
Contributions as a percentage of covered-employee payroll	40.10 %	32.99 %	33.23 %	29.52 %	30.02 %	29.45 %	27.01 %	27.79 %	21.65 %

*Contributions in relation to statutorily required contributions are the contributions a reporting unit actually made to the System, as distinct from the statutorily required contributions.

With the implementation of GASB Statement No. 68 in 2015, the 10 year history will be provided prospectively until a full 10 year history is shown.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Required Supplemental Information
Schedule of the Reporting Unit's Proportionate Share of the Net OPEB Liability
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years (Amounts were determined as of 9/30 of each fiscal year)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Reporting unit's proportion of net OPEB liability (%)	0.04171 %	0.03764 %	0.03890 %	0.04052 %	0.04106 %	0.04021 %
Reporting unit's proportionate share of net OPEB liability	\$ 883,519	\$ 574,528	\$ 2,083,726	\$ 2,908,737	\$ 3,263,720	\$ 3,560,782
Reporting unit's covered-employee payroll	\$ 4,126,397	\$ 3,465,156	\$ 3,484,938	\$ 3,571,901	\$ 3,523,064	\$ 3,427,920
Reporting unit's proportionate share of net OPEB liability as a percentage of its covered-employee payroll	467.04112 %	603.13092 %	167.24550 %	122.79904 %	107.94627 %	96.26874 %
Plan fiduciary net position as a percentage of total OPEB liability (Non-university employers)	83.09000 %	87.33000 %	59.44000 %	48.46000 %	42.95000 %	32.48000 %

With the implementation of GASB Statement No. 75 in 2018, the 10 year history will be provided prospectively until a full 10 year history is shown.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Required Supplemental Information
Schedule of the Reporting Unit's OPEB Contributions
Michigan Public School Employees Retirement Plan
Last 10 Reporting Unit Fiscal Years (Amounts were determined as of 6/30 of each fiscal year)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required contributions	\$ 333,395	\$ 302,607	\$ 267,786	\$ 289,283	\$ 275,194	\$ 257,099
Contributions in relation to statutorily required contributions*	<u>333,395</u>	<u>302,607</u>	<u>267,786</u>	<u>289,283</u>	<u>275,194</u>	<u>257,099</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reporting unit's covered-employee payroll**	\$ 4,400,220	\$ 3,704,909	\$ 3,321,745	\$ 3,687,887	\$ 3,525,626	\$ 3,494,800
Contributions as a percentage of covered-employee payroll	7.58 %	8.17 %	8.06 %	7.84 %	7.81 %	7.36 %

* Contributions in relation to statutorily required contributions are the contributions a reporting unit actually made to the System, as distinct from the statutorily required contributions.

** The employer's covered payroll is defined by GASB 85, *Omnibus 2017*, as payroll on which contributions to the OPEB plan are based. For non-university employers, covered payroll for both pension and OPEB represents payroll on which contributions to both plans are based.

With the implementation of GASB Statement No. 75 in 2018, the 10 year history will be provided prospectively until a full 10 year history is shown.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Required Supplementary Information
For the Year Ended June 30, 2023

Changes of benefit terms: There were no changes of benefit terms in 2022.

Changes of assumptions: The assumption changes for pension for 2022 were:

Discount rate for MIP, Basic, and Pension Plus plans decreased to 6.00% from 6.80%.

The assumption changes for 2022 for OPEB were:

Discount rate decreased to 6.00% from 6.95%.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
 Other Supplemental Information
 Combining Balance Sheet
 Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds		
	NMEC (Northern Michigan Electronics Consortium) Fund	Food Service Fund	Total
<u>Assets</u>			
Cash and investments	\$ 20,317	\$ 23,320	\$ 43,637
Receivables - net:			
Accounts receivable	0	3,151	3,151
Total assets	\$ 20,317	\$ 26,471	\$ 46,788
<u>Liabilities and Fund Balance</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 3,490	\$ 16,269	\$ 19,759
Total liabilities	3,490	16,269	19,759
<u>Fund Balance</u>			
Restricted for fund purposes	16,827	10,202	27,029
Total fund balance	16,827	10,202	27,029
Total liabilities and fund balance	\$ 20,317	\$ 26,471	\$ 46,788

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
 Other Supplemental Information
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balance - Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds		
	NMEC (Northern Michigan Electronics Consortium)		
	Fund	Food Service Fund	Total
<u>Revenues</u>			
Local sources	\$ 0	\$ 142	\$ 142
State sources	0	572	572
Federal sources	0	71,191	71,191
Total revenues	0	71,905	71,905
<u>Expenditures</u>			
Support services:			
Food services	0	77,382	77,382
Information services	16,249	0	16,249
Total expenditures	16,249	77,382	93,631
Excess (deficiency) of revenues over expenditures	(16,249)	(5,477)	(21,726)
<u>Other Financing Sources (Uses)</u>			
Operating transfers in from other governmental units	17,382	0	17,382
Operating transfers in from other funds	381	0	381
Total other financing sources (uses)	17,763	0	17,763
Net change in fund balance	1,514	(5,477)	(3,963)
Fund balance - beginning of year	15,313	15,679	30,992
Fund balance - end of year	\$ 16,827	\$ 10,202	\$ 27,029



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS

October 26, 2023

Board of Education
C.O.O.R Intermediate School District
Roscommon, Michigan

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of C.O.O.R Intermediate School District (School District), as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise C.O.O.R Intermediate School District' basic financial statements and have issued our report thereon dated October 26, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered C.O.O.R Intermediate School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of C.O.O.R Intermediate School District's internal control. Accordingly, we do not express an opinion on the effectiveness of C.O.O.R Intermediate School District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs we identified certain deficiencies in internal control that we consider to be material weaknesses and a significant deficiency.



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A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002 and 2023-003 to be material weaknesses.

A *significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies in the accompanying schedule of findings and questioned costs as items 2023-004 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether C.O.O.R Intermediate School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2023-002 and 2023-004.

School District's Response to Findings

C.O.O.R Intermediate School District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. C.O.O.R Intermediate School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Weinlander Fitzhugh



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

October 26, 2023

Board of Education
C.O.O.R Intermediate School District
Roscommon, Michigan

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited C.O.O.R Intermediate School District's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of C.O.O.R Intermediate School District's major federal programs for the year ended June 30, 2023. C.O.O.R Intermediate School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, C.O.O.R Intermediate School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of C.O.O.R Intermediate School District and to meet our ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of C.O.O.R Intermediate School District's compliance with the compliance requirements referred to above.



Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to C.O.O.R Intermediate School District's federal programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on C.O.O.R Intermediate School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about C.O.O.R Intermediate School District's compliance with the requirements for each major federal program as a whole.

In performing an audit in accordance with U.S. generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding C.O.O.R Intermediate School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of C.O.O.R Intermediate School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of C.O.O.R Intermediate School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.



WEINLANDER FITZHUGH

Certified Public Accountants & Advisors

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Weinlander Fitzhugh

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

SECTION I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified opinion

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

<input checked="" type="checkbox"/>	YES	<input type="checkbox"/>	NO
<input checked="" type="checkbox"/>	YES	<input type="checkbox"/>	NONE REPORTED
<input checked="" type="checkbox"/>	YES	<input type="checkbox"/>	NO

Noncompliance material to financial statements noted?

Federal Awards

Internal Control over major programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

<input type="checkbox"/>	YES	<input checked="" type="checkbox"/>	NO
<input type="checkbox"/>	YES	<input checked="" type="checkbox"/>	NONE REPORTED

Type of auditor's report issued on compliance of major programs:

Unmodified opinion

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

<input type="checkbox"/>	YES	<input checked="" type="checkbox"/>	NO
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Identification of major programs:

<u>ALN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027	Special Education - Grants to States (IDEA, Part B)
84.173	Special Education - Preschool Grants (IDEA, Preschool)

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?

<input type="checkbox"/>	YES	<input checked="" type="checkbox"/>	NO
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C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

SECTION II - Financial Statement Findings

2023-001 (Repeat Finding 2022-001)

Criteria or Specific Requirement

Establish and maintenance of internal controls over the financial reporting process.

Condition

Due to the complexity of certain aspects of fund accounting, preparation of the government-wide financial statements in accordance with GASB 34, and the related note disclosures, the School District relies on auditor involvement to prepare its financial statements in accordance with U.S. generally accepted accounting principles.

Context

Internal controls should be in place to provide reasonable assurance to the School District that management possesses the specialized skills necessary to monitor and report annual financial activity without auditor involvement.

Effect

The effect of this condition places a reliance on the independent auditor to be part of the School District's internal control over financial reporting.

Cause

The School District does not have an individual on staff that has the specialized skills and experience to monitor financial activities and reporting in accordance with U.S. generally accepted accounting principles.

Recommendation

The School District should review and implement the specialized education and procedural activities to monitor and report annual financial activity without auditor involvement.

Views of the Responsible Officials and Planned Corrective Action

The School District will continue to develop the skills of the Director of Finance. Refer to our corrective action plan for additional information.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

2023-002 (Repeat Finding 2022-002)

Criteria or Specific Requirement

School Districts should have controls in place to properly reflect anticipated revenues and expenditures, based on historical information, in the budget.

Condition

The School District incurred budget violations in its major funds revenues and expenditure accounts.

Context

The budget is used to monitor financial performance and reasonableness of financial reports.

Cause/Effect

The revenues and expenditures were not being monitored in comparison to actual and expected.

Recommendation

The School District should implement procedures to monitor activity and amend its funds required to adopt budgets in accordance with standards established by the State of Michigan.

Views of the Responsible Officials and Planned Corrective Action

The Director of Finance will more closely monitor the budgeting process with the Department Directors and Supervisors. Refer to our corrective action plan for additional information.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

2023-003 (Repeat Finding 2022-003)

Criteria or Specific Requirement

During the course of the audit, we identified numerous misstatements, some of which were material to the School District's financial statements and provided audit entries to correct these misstatements. Material audit adjustments were required for accounts payable, unearned revenue and unavailable revenue.

Condition

The fund level accounting records required material journal entries to correct accounts receivable and unearned revenue and to report balances in accordance with U.S. generally accepted accounting principles.

Context

The finding is a result of observation and inquiry with School District administration.

Effect

The effect of this condition places a reliance on the independent auditor to be part of the School District's internal controls.

Cause

The School District did not monitor its fund level reporting on a timely basis.

Recommendation

The School District should review the audit entries, understand why they were necessary and implement controls to ensure that the accounts and transactions affected are reviewed closely during the year and especially at year-end.

Views of the Responsible Officials and Planned Corrective Action

The Director of Finance will review adjusted journal entries and decrease auditor involvement. Refer to our corrective action plan for additional information.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

2023-004 (Repeat Finding 2022-004)

Criteria or Specific Requirement

The State of Michigan Department of Education requires the use of a uniform chart of accounts. Part of this chart of accounts includes a section for grant codes.

Condition

The uniform chart of accounts allows the District to track their expenditures by function, object and by grants. The client is not fully utilizing the prescribed state chart of accounts including the grant codes.

Context

Internal controls should be put in place to verify that the proper accounts are used.

Effect

This places a reliance on the auditor to reclassify certain expenditures to agree with the proper financial statement presentation. It also causes additional audit procedures related to the grants to verify the expenditures are complete and accurate.

Recommendation

The School District should review their current chart of accounts for the proper reporting for function and objects to verify that they are classifying their expenditures appropriately. The School District should also review all grant revenues and verify that they have the correct grant code utilized to track all grant expenditures. Grant expenditures and revenue for federal awards should also be tracked based on the project year.

Views of the Responsible Officials and Planned Corrective Action

The School District has begun the process of updating their current chart of accounts. Refer to our corrective action plan for additional information.

SECTION III - Federal Award Findings and Questioned Costs

There are no matters reported.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Summary Schedule of Prior Year Findings
For the Year Ended June 30, 2023

2022-001, 2022-002, 2022-003, 2022-004

Audit Finding

All audit findings listed above are repeat findings in the current year.

Corrective Action Taken

Corrective action plans were not implemented properly.

C.O.O.R. INTERMEDIATE SCHOOL DISTRICT

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023**

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal ALN Number	Approved Grant Award Amount	(Memo Only) Prior Year Expenditures	Accrued or (Deferred) Revenue at July 1, 2022	Adjustments and Transfers	Current Year Receipts (Cash Basis)	Current Year Expenditures	Accrued or (Deferred) Revenue at June 30, 2023	Payments to Subrecipients
Clusters:									
U.S. Department of Agriculture									
Passed through MDE									
Child Nutrition Cluster:									
<u>School Breakfast Program</u>									
	10.553	\$ 15,382	\$ 15,319	\$ 1,597	\$ 0	\$ 1,597	\$ 0	\$ 0	\$ 0
Project 221971-2122		2,952	0	0	0	2,952	2,952	0	0
Project 221970-2122		17,964	0	0	0	13,792	15,012	1,220	0
Project 231970-2223		<u>36,298</u>	<u>15,319</u>	<u>1,597</u>	<u>0</u>	<u>18,341</u>	<u>17,964</u>	<u>1,220</u>	<u>0</u>
 <u>Supply Chain Assistance</u>									
	10.555	5,676	0	(5,676)	0	0	5,676	0	0
Project 211965-2021		6,197	5,199	(998)	0	0	998	0	0
Project 220910-2122		26,967	26,967	2701	0	2,701	0	0	0
Project 221961-2022		6,220	0	0	0	6,220	6,220	0	0
Project 220910-2223		4,479	0	0	0	4,479	4,479	0	0
Project 221960-2022		5,607	0	0	0	5,607	5,607	0	0
Project 230910-2023		23,780	0	0	0	21,849	23,780	1,931	0
Project 231960-2023		<u>78,926</u>	<u>32,166</u>	<u>(3,973)</u>	<u>0</u>	<u>40,856</u>	<u>46,760</u>	<u>1,931</u>	<u>0</u>
 Non-Cash Assistance (Commodities)									
	10.555	4,822	0	0	0	4,822	4,822	0	0
Entitlement		1,645	0	0	0	1,645	1,645	0	0
Bonus		<u>6,467</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,467</u>	<u>6,467</u>	<u>0</u>	<u>0</u>
 Total Child Nutrition Cluster									
		<u>121,691</u>	<u>47,485</u>	<u>(2,376)</u>	<u>0</u>	<u>65,664</u>	<u>71,191</u>	<u>3,151</u>	<u>0</u>
 Special Education Cluster									
U.S. Department of Education									
Passed through MDE									
<u>Special Ed Flowthrough</u>									
	84.027	2,097,900	2,085,728	37,912	0	37,912	0	0	0
PL 94-142 Flowthrough:		2,145,130	2,093,569	2,093,569	0	2,115,824	35,118	12,863	24,053
Project 210450 - 20-21		2,165,606	0	0	0	1,324,867	2,016,137	691,270	2,016,319
Project 220450 - 21-22		<u>6,408,636</u>	<u>4,179,297</u>	<u>2,131,481</u>	<u>0</u>	<u>3,478,603</u>	<u>2,051,255</u>	<u>704,133</u>	<u>2,040,372</u>

See accompanying notes to Schedule of Expenditures of Federal Awards

C.O.O.R. INTERMEDIATE SCHOOL DISTRICT

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023**

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal ALN Number	Approved Grant Award Amount	(Memo Only) Prior Year Expenditures	Accrued or (Deferred) Revenue at July 1, 2022	Adjustments and Transfers	Current Year Receipts (Cash Basis)	Current Year Expenditures	Accrued or (Deferred) Revenue at June 30, 2023	Payments to Subrecipients
State Initiated / Competitive:									
Project 220493-21-22		\$ 132,000	\$ 132,000	\$ 132,000	\$ (48)	\$ 131,952	\$ 0	\$ 0	\$ 0
Project 230493-22-23		145,200	0	0	0	117,439	145,200	27,761	0
		<u>277,200</u>	<u>132,000</u>	<u>132,000</u>	<u>(48)</u>	<u>249,391</u>	<u>145,200</u>	<u>27,761</u>	<u>0</u>
IDEA Grant Funded Initiatives									
Project 220470-2D33	84.027A	9,216	0	0	0	9,216	9,216	0	0
Special Education ARP Flowthrough									
Project 221280 - 21-22	84.027X	426,076	0	0	0	27,265	65,159	37,894	0
<u>Preschool Grant</u>									
PL 94-142 Preschool Incentive:									
Project 220460-21-22	84.173	67,762	67,762	67,762	(483)	52,647	483	15,115	0
Project 230460-22-23		69,988	0	0	0	0	68,616	68,616	483
		<u>137,750</u>	<u>67,762</u>	<u>67,762</u>	<u>(483)</u>	<u>52,647</u>	<u>69,099</u>	<u>83,731</u>	<u>483</u>
Total Special Education Cluster		<u>7,258,878</u>	<u>4,379,059</u>	<u>2,331,243</u>	<u>(531)</u>	<u>3,817,122</u>	<u>2,339,929</u>	<u>853,519</u>	<u>2,040,855</u>
Other Federal Awards:									
U.S. Department of Treasury									
Passed through MDE									
GSRP State Fiscal Recovery Funds									
Project 222390-GSRP2122	21.027	298,542	169,450	169,450	0	169,450	0	0	0
ARP Grow Your Own									
Project 232423 - 20231	21.027	65,938	0	0	0	0	10,276	10,276	0
Project 232425 - 22-23		892,857	0	0	0	0	267,857	267,857	0
		<u>958,795</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>278,133</u>	<u>278,133</u>	<u>0</u>
Total 21.027		<u>1,257,337</u>	<u>169,450</u>	<u>169,450</u>	<u>0</u>	<u>169,450</u>	<u>278,133</u>	<u>278,133</u>	<u>0</u>
Passed through MDE									
<u>Educationally Deprived Children</u>									
Title I Part D Grants:									
Project 221700-2122	84.010	31,257	31,257	31,257	0	31,257	0	0	0

See accompanying notes to Schedule of Expenditures of Federal Awards

C.O.O.R. INTERMEDIATE SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2023

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal ALN Number	Approved Grant Award Amount	(Memo Only) Prior Year Expenditures	Accrued or (Deferred) Revenue at July 1, 2022	Adjustments and Transfers	Current Year Receipts (Cash Basis)	Current Year Expenditures	Accrued or (Deferred) Revenue at June 30, 2023	Payments to Subrecipients
<u>Infant and Toddler</u>									
Infant and Toddler Formula Grant	84.181								
Project 221340-21-22		\$ 80,128	\$ 79,386	\$ 79,386	\$ 0	\$ 78,906	\$ (480)	\$ 0	\$ 0
Project 231340-22-23		87,974	0	0	0	0	85,919	85,919	0
		<u>168,102</u>	<u>79,386</u>	<u>79,386</u>	<u>0</u>	<u>78,906</u>	<u>85,439</u>	<u>85,919</u>	<u>0</u>
Total non cluster programs passed through MDE		<u>1,456,696</u>	<u>280,093</u>	<u>280,093</u>	<u>0</u>	<u>279,613</u>	<u>363,572</u>	<u>364,052</u>	<u>0</u>
U.S. Department of Education									
Direct program									
Rural Education Achievement Program	84.358A								
Program S358A183509		23,559	18,312	14,514	0	14,514	5,247	5,247	0
Program S358A203618		23,396	0	0	0	23,396	23,396	0	0
		<u>46,955</u>	<u>18,312</u>	<u>14,514</u>	<u>0</u>	<u>37,910</u>	<u>28,643</u>	<u>5,247</u>	<u>0</u>
Total U.S. Department of Ed non cluster programs		<u>1,503,651</u>	<u>298,405</u>	<u>294,607</u>	<u>0</u>	<u>317,523</u>	<u>392,215</u>	<u>369,299</u>	<u>0</u>
Total U.S. Department of Education		<u>8,884,220</u>	<u>4,724,949</u>	<u>2,623,474</u>	<u>(531)</u>	<u>4,200,309</u>	<u>2,803,335</u>	<u>1,225,969</u>	<u>2,040,855</u>
Passed through Other ISD's									
<u>Vocational Education - Basic Grants to States</u>									
Vocational Education Regional Allocation: Passed through Clare-Gladwin RESD:	84.048								
Perkins - Project 223520-22128		145,856	145,856	101,101	0	101,101	0	0	0
Perkins - Project 233520-23128		168,199	0	0	0	122,902	168,199	45,297	0
		<u>314,055</u>	<u>145,856</u>	<u>101,101</u>	<u>0</u>	<u>224,003</u>	<u>168,199</u>	<u>45,297</u>	<u>0</u>
<u>McKenney-Vento Homeless Education</u>									
Assistance Act - COVID Passed through Cheboygan-Otsego-Presque Isle ESA: ARP Homeless - COVID Project 211010-2122	84.425W								
		245	0	0	0	245	245	0	0
Total non cluster programs passed through other ISD's		<u>314,300</u>	<u>145,856</u>	<u>101,101</u>	<u>0</u>	<u>224,248</u>	<u>168,444</u>	<u>45,297</u>	<u>0</u>

See accompanying notes to Schedule of Expenditures of Federal Award:

C.O.O.R. INTERMEDIATE SCHOOL DISTRICT

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023**

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal ALN Number	Approved Grant Award Amount	(Memo Only) Prior Year Expenditures	Accrued or (Deferred) Revenue at July 1, 2022	Adjustments and Transfers	Current Year Receipts (Cash Basis)	Current Year Expenditures	Accrued or (Deferred) Revenue at June 30, 2023	Payments to Subrecipients
U.S. Department of Health and Human Services									
Passed through Michigan Community Health:									
<u>Medical Assistance Program Title XIX</u>									
Medicaid Administrative Outreach	93.778	\$ 53,023	\$ 0	\$ 0	\$ 0	\$ 53,023	\$ 53,023	\$ 0	\$ 0
Passed through Early Childhood Investment Corporation									
Childcare and Development Block Grant	93.575								
Fiscal 2021/2022-EUP		527,691	326,113	92,439	0	293,710	201,271	0	0
Fiscal 2021/2022-ECIC		17,231	8,708	0	0	4,800	4,800	0	0
Fiscal 2022/2023-EUP		515,341	0	0	0	315,772	355,685	39,913	0
Fiscal 2022/2023-ECIC		15,000	0	0	0	7,208	7,989	781	0
		<u>1,075,263</u>	<u>334,821</u>	<u>92,439</u>	<u>0</u>	<u>621,490</u>	<u>569,745</u>	<u>40,694</u>	<u>0</u>
Passed through MDE									
<u>RTT - Trusted Advisors</u>									
Project 213910 3.622	93.434	32,500	21,867	21,867	0	21,867	10,633	10,633	0
Total Federal Financial Awards		<u>\$ 10,359,306</u>	<u>\$ 5,227,493</u>	<u>\$ 2,838,881</u>	<u>\$ (531)</u>	<u>\$ 5,120,937</u>	<u>\$ 3,605,180</u>	<u>\$ 1,322,593</u>	<u>\$ 2,040,855</u>

See accompanying notes to Schedule of Expenditures of Federal Award:

C.O.O.R. INTERMEDIATE SCHOOL DISTRICT
Schedule of Subrecipient Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal grantor/pass-through grantor/program title	Federal ALN number	Subrecipient award/ contract amount	Subrecipient current year expenditures	Current year cash transferred to subrecipient
PL-94-142 Flowthrough FY 21/22:	84.027			
Passed through to:				
Crawford AuSable Schools		\$ 454,229	\$ 4,298	\$ 188,142
Fairview Area Schools		117,220	-	47,011
Roscommon Area Public Schools		249,093	8,140	9,691
Houghton Lake Community Schools		445,265	9,817	131,934
Mio-AuSable Schools		210,996	-	-
West Branch-Rose City Area Schools		416,132	-	416,132
Charlton Heston Academy		243,232	-	243,232
Total PL-94-142 Flowthrough 21/22 passed through to subrecipients		<u>\$ 2,136,167</u>	<u>\$ 22,255</u>	<u>\$ 1,036,142</u>
PL-94-142 Flowthrough FY 22/23:	84.027			
Passed through to:				
Crawford AuSable Schools		\$ 466,575	\$ 458,038	\$ 377,517
Fairview Area Schools		144,443	114,443	73,668
Roscommon Area Public Schools		261,164	252,325	151,601
Houghton Lake Community Schools		457,769	447,188	286,635
Mio-AuSable Schools		231,820	231,820	163,356
West Branch-Rose City Area Schools		363,868	273,680	167,457
Charlton Heston Academy		240,623	240,623	202,072
Total PL-94-142 Flowthrough 22/23 passed through to subrecipients		<u>\$ 2,166,262</u>	<u>\$ 2,018,117</u>	<u>\$ 1,422,306</u>
Total PL-94-142 Flowthrough passed through to subrecipients		<u>\$ 4,302,429</u>	<u>\$ 2,040,372</u>	<u>\$ 2,458,448</u>
Preschool Grant	84.173			
Passed through to:				
Houghton Lake Community Schools		\$ 483	\$ 483	\$ -

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal grant activity of C.O.O.R Intermediate School District under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of C.O.O.R Intermediate School District, it is not intended to and does not present the financial position or changes in net position of C.O.O.R Intermediate School District.

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts (if any) shown on the Schedule represent adjustments or credit made in the normal course of business to amounts reported as expenditures.

The School District has elected not to use the 10 percent de minimus indirect cost rate to recover costs as allowed under the Uniform Guidance.

NOTE 2 - OTHER DISCLOSURES

Management has utilized the NexSys, Cash Management System and the Grant Auditor Report in preparing the Schedule of Expenditures of Federal Awards.

NOTE 3 - RECONCILIATION OF REVENUE REPORTED IN THE FINANCIAL STATEMENTS

Total federal expenditures per Schedule of Expenditures of Federal Awards	\$	3,605,180
Add:		
RTT Trusted Advisor		21,867
IDEA		152,461
Preschool		15,115
Infant and Toddler		5,595
Less:		
IDEA		270,270
Preschool		15,115
ARP Grow Your Own		10,276
		0
Revenues per financial statements - federal sources	<u>\$</u>	<u>3,504,557</u>

NOTE 4 - (UNAUDITED) DONATED PERSONAL PROTECTIVE EQUIPMENT

For the year ended June 30, 2023, the School District received immaterial amounts of donated personal protective equipment.